

**State of Louisiana, Division of Administration  
Office of Statewide Reporting and Accounting Policy**

**GASB 34 STATEWIDE AWARENESS SURVEY**

The Governmental Accounting Standards Board (GASB) recently issued a new accounting pronouncement, Statement No. 34, that will significantly affect accounting and reporting for the State of Louisiana. Please take the time to review and answer the following questions so OSRAP will be able to issue proper guidance before implementation:

**A. REPORTING CAPITAL ASSETS**

**Capital Assets in General**

Capital assets include land and land improvements (defined below), easements, buildings and building improvements (defined below), vehicles, machinery, equipment, works of art and historical treasures, infrastructure (defined below), and other tangible or intangible assets used in operations that have a useful life beyond one year. How does your entity currently account for capital assets?

Manual \_\_\_\_\_  
Computerized Spreadsheet \_\_\_\_\_ Application Software \_\_\_\_\_  
Computerized Database \_\_\_\_\_ Application Software \_\_\_\_\_  
Other \_\_\_\_\_

Can your capital asset system calculate depreciation? Yes \_\_\_\_\_ No \_\_\_\_\_

If no, what procedures are being used by your entity to calculate depreciation on capital assets, if any?

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Does your system track the attributes of the asset (useful life, salvage value, current and accumulated depreciation) to allow your agency to account for acquisitions and gains and losses on disposition?

Yes \_\_\_\_\_ No \_\_\_\_\_

**Infrastructure**

Statement No. 34 defines infrastructure as long-lived capital assets associated with governmental activities that normally are stationary in nature and can be preserved for a

significantly greater number of years than most capital assets. Examples include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems.

Following the definition above, does your entity have capital assets that you believe should be classified as infrastructure?

Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, please list the general categories \_\_\_\_\_

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If you have infrastructure that has not been recorded on your entity's accounting records in the past, would historical cost information be available for infrastructure placed in service on or after July 1, 1980?

Yes \_\_\_\_\_ No \_\_\_\_\_

Would historical cost information be available for infrastructure placed in service before July 1, 1980?

Yes \_\_\_\_\_ No \_\_\_\_\_

Does your entity have procedures that could capture the costs associated with the acquisition or construction of new infrastructure assets?

Yes \_\_\_\_\_ No \_\_\_\_\_

### **Land & Land Improvements**

Land improvements consist of betterments, other than buildings, that ready land for its intended use. These land improvements are not to be depreciated and should be included with land. Examples of land improvements include site improvements such as excavation, filling, grading, and utility installation; the removal, relocation, or reconstruction of property of others, such as telephone and power lines; retaining walls; parking lots; fences; and landscaping.

Following the definition and examples, does your entity own any land and/or land improvements?

Yes \_\_\_\_\_ No \_\_\_\_\_

Is the value of land and land improvements associated with infrastructure, buildings, and other structures included in the amount reported by your agency in the annual financial report?

Yes \_\_\_\_\_ No \_\_\_\_\_ If no, explain why \_\_\_\_\_

Can you differentiate between the land and land improvements and the value of the depreciable structures on your asset records?

Yes \_\_\_\_\_ No \_\_\_\_\_

## **Buildings & Building Improvements**

Buildings are permanent structures erected above ground, together with fixtures attached to and forming a permanent part of the building, for the purpose of sheltering persons or personal property. The cost of buildings include all labor, materials, and professional services required to construct the building, and any other costs to put the building into it's intended use. Building improvements are generally added to the value of the buildings and are not carried as separate assets like land improvements. The buildings and the improvements become one and inseparable. Examples of building improvements include major repairs, renovations, or additions such as addition of a new wing or a new air conditioning system. These examples would increase the future service potential of the building and benefit future periods which is the distinction between a building improvement and ordinary maintenance and repairs.

Following the definition and examples, does your entity own any buildings or building improvements?

Yes \_\_\_\_\_ No \_\_\_\_\_

Is the value of buildings and building improvements included in the amount reported by your agency in the annual financial report?

Yes \_\_\_\_\_ No \_\_\_\_\_ If no, explain why \_\_\_\_\_

## **B. PROGRAM VS. GENERAL REVENUES**

GASB 34 requires that "general revenues" be split and reported separately from "program revenues" in the government-wide financial statements. **Program revenues** are defined as sources of revenue provided by 1) those who purchase, use, or directly benefit from the goods or services of the program, or 2) from parties outside the citizenry when the sources are restricted to a program or programs. Program revenues are one of 3 categories including charges for services, program specific operating grants and contributions, and program specific capital grants and contributions.

**General revenues** include all revenues not required to be reported as program revenues, which includes all taxes.

Can your entity's system identify and separate general revenues from program revenues ?

Yes \_\_\_\_\_ No \_\_\_\_\_

### **C. FULL ACCRUAL RECEIVABLES, PAYABLES, REVENUES, & EXPENSES**

GASB 34 requires that receivables, payables, revenues, expenses, gains, and losses be reported using the full accrual basis of accounting in the government-wide financial statements and the financial statements of entities using enterprise accounting. The accrual basis of accounting requires that these receivables, payables, revenues, and expenses resulting from exchange and exchange-like transactions be recognized when the exchange takes place, as opposed to when it is measurable and available. For those entities that will continue to use the modified accrual basis of accounting in their own financials, these account balances mentioned above will also need to be provided using the full accrual basis.

Does your entity's system have the ability to provide amounts of true full accrual receivables and payables in addition to modified accrual amounts currently provided, if applicable?

Yes \_\_\_\_\_ No \_\_\_\_\_

### **D. TRAINING**

Do you feel you and/or your agency personnel requires additional training in GASB 34 in addition to that conducted by OSRAP?

Yes \_\_\_\_\_ No \_\_\_\_\_

Explain your training needs below:

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## **E. OTHER**

Please list any concerns or issues specific to your entity that you may have with respect to implementation of GASB 34:

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To obtain a copy of GASB Statement 34, you can order via the GASB website at [www.rutgers.edu/accounting/raw/gasb/](http://www.rutgers.edu/accounting/raw/gasb/), and click on the line titled "Order Statement 34". The cost is \$12.00 per copy. It may also be obtained from the GASB Order Department by telephone (800-748-0659), e-mail ([gasbpubs@gasb.org](mailto:gasbpubs@gasb.org)), or mail (401 Merritt 7, P.O. Box 5116, Norwalk, CT 06856-5116).

A copy of the Implementation Guide can be obtained from the GASB Order Department by telephone (800-748-0659), e-mail ([gasbpubs@gasb.org](mailto:gasbpubs@gasb.org)), or mail (401 Merritt 7, P.O. Box 5116, Norwalk, CT 06856-5116).